



CITY COUNCIL

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FOR IMMEDIATE RELEASE

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COUNCILMEMBER DJOU: LEASE-TO-FEE WASTE

Yesterday, Chief U.S. District Court Judge David Ezra released an opinion criticizing the Honolulu City Council's handling of the repeal of lease-to-fee conversion earlier this year.

Specifically, Judge Ezra wrote, "[T]he fair and wise decision, from the perspective of the City, would have been to draft the repeal of Chapter 38 so as to allow those leaseholders such as Plaintiffs, who have begun in good faith the process of conversion, to be grandfathered in . . . [T]he people of the City and County of Honolulu are ill-served by the avoidable waste of taxpayers' money that has resulted from this decision."

Councilmember Charles K. Djou (Waikiki, East Honolulu) had drafted an amendment to the lease-to-fee repeal bill exactly along the lines of Judge Ezra's criticism. The council, however, rejected Djou's amendment. Djou stated, "Although I feel vindicated by Judge Ezra's comments, it saddens me that the council nevertheless rejected my proposal to grandfather parties who had already begun the lease-to-fee conversion process in the repeal bill. The end result has been an unnecessary court case and needless expenditure of taxpayer resources."

Plaintiffs from the Kahala Beach Estates and Discovery Bay condominium who started the lease-to-fee conversion process, but were stopped from completing the process because of the council's action to repeal the lease-to-fee law, are currently suing the City.

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